Detailed weather, mail and marine reports on page 11.

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PRICE TWO CENTS.

TAGLE CHOSEN BY WILSON FOR **MEXICAN RULER**

Madero Finance Minister Will Also Be Backed by Villa Forces.

CARRANZA TO YIELD

U. S. Will Withhold His The price is too high. It isn't worth it." War Supplies if He Refuses Terms.

ARMED INTERVENTION

New President to Give Way to a Man Satisfactory to All Interests.

ment on Thursday in which six countries of Latin America will be repreented the United States will take the said step in a new effort to restore \$2,000 RING STOLEN order in Mexico.

The United States will present a plan that contemplates the establishment of a constitutional government in Mexico by Mexicans with the support of this coun-Chile, Brazil, Bolivia, Uruguay and

As a preliminary President Wilson, supported by the Latin American countries, will again call upon the warring military chieftains in Mexico to compose their differences and enter into a street wife of Louis Engel, 545 West 11th move has been made to raise money for

President Wilson and his advisers is based on the belief that Carranza is likely to be persistent in his refusal to negotiate with the forces that are opposing him in Mexico. Carranza's reposing him in Mexico. Carranza's repos

ment, which passed out of existence ero in 1913. This Government already is assured that practically all of the potential leaders of Mexico with the a group that will reestablish ernment that was driven from

power two years ago by Huerta.

parleys with those who are willing to that it coperate in establishing a government e followed by an embargo on arms will be applied to him alone. s the policy of "watchful waiting" be thrown into the discard and a nme of affirmative action substi-Leaders of the Administration

that if the new policy does not about order in Mexico the only ernative is armed intervention. realized by the authorities that

obliged to send a relief column

S. Seeks No Territory.

ng of its endeavors to restore Mexico that it has no thought republics that it has invited to the enterprises as regards military leaders

in Mexican affairs will have by to attain the Presidency of lie under the plan of pacifica-perfected by President Wilson as thought out before the Presi- mobile. ted his proclamation on June 2 the factions to compose their s, failing in which the United uld act. Villa and Zapata at ified a willingness to discuss \$500,000,000 Per 1,000 Square peace with Carranza, but Care notice that he would not negotiations with his enemies.

MISS MARLOWE BREAKS DOWN.

Will Never Appear on Stage Again, Husband Says.

HARTFORD, Conn., Aug. 3.-Julia Marlowe will never act again, according to a statement made this afternoon by her husband, Edward H. Sothern, at Litch-"My wife has absolutely retired," said

the actor. "Her illness has made it impossible for her to play and it will be the first time she has not been with me. I myself am beginning to feel that the strain on my vitality is much greater Communication Is Crippled— Czar's Ex-War Minister May Be than formerly."

Asked if Miss Marlowe had given up all idea of acting again, Mr. Sothern OR BE DRIVEN OUT emphasized the fact that she was completely broken down, adding: "It is

Japanese Will Take Business

Killed by La Follette Law. SAN FRANCISCO, Aug. 3 .- The first MAY BE NECESSARY made by the Pacific Mail Steamship working and furnish Erie's only com- guard actions which the Russians have withdraw its five liners from the Pacific trains are held up.

This gives the Japanese lines a mo-

IN OSTEND RECOVERED

uy and the republics of Argentina, Mrs. Helen V. Engel Learns Through Belgian Police of Thief's Arrest.

pose their differences and enter into a street, wife of Louis Engel, a cigar conference or convention to decide upon manufacturer, was notified yesterday through the New York police that a The plan of action formulated by diamond ring valued at \$2,000, which

fusal to join with other Mexican lead-ers in setting up a government in the republic by peaceful means will be followed by steps that will have the active support of the United States and possibly of the six republics of South and and the thief arrested. Central America that are to be repre-tented at Thursday's conference.

The plan to pacify Mexico through the

Grant Williams of the missing persons

medium of internal influences, assisted by the seven republics under the leadersulp of the United States, contemplates the restoration of the Madero Government, which passed out of existence ment, which passed out of existence of Francisco and the state of the missing persons the state of the missing persons of the missing persons of the state of the city. After calling up several Mrs. Engels, the owner of the ring was found, and she described it satisfactorily as a gold ring set with three large diamonds. Mrs. Engel wrote the Commissioner at Hull yesterday, saying her offer of a \$200 re- collapse. ward still held good.

a are prepared to it will reestablish was driven from by Huerta.

He says I can get my ring by write the state. The downpour has been steady and a great volume of water has passed through Mill Creek. At 6 the submarines, I've had enough war. I was in Ostend on July 18, when the large transport of the State. The downpour has been steady and a great volume of water has passed through Mill Creek. At 6 to clock to-night all traffic was stopped and pedestrians were driven from the ring was lost, and went to Carlsbad on July 22, after leaving my name with the Ostend police. Then the war caught me and I had to ride in cattle trains and troop trains to get to Paris, and from there to Hayre. There I stayed steady rain of the previous three days will will be a steady rain of the previous three days will will be a steady rain of the previous three days will will be a steady rain of the previous three days will will be a steady rain of the previous three days will will be a steady rain of the previous three days. Villa's Aid Expected.

July 22, after leaving my name with
July 22, after leaving my name with
the Ostend police. Then the war caught
me and I had to ride in cattle trains ce is expressed by Washington and troop trains to get to Paris, and that within a comparatively from there to Havre. There I stayed slort time the Carranza movement will aboard the liner France in port for ten pse by reason of its failure to get days before she sailed, and even then I supplies from the United States, had to go steerage. I am sure from Carranga'a refusal to enter into peace the drawing the Commissioner encloses

CAMERA GIVES ALARM. Rings Bell and Alleged Thief

enough to go over there again.

Soon Under Arrest. The next time Leonard White, 24 year

old, a waiter, of 308 West Fifty-fifth dies may lead to intervention street, wants to take something that doesn't belong to him he'll look around to by an American army pendestablishment of a stable government. Leonard isn't strong on electricity, se

ealized by the authorities that is refusal to discuss peace with Mexican leaders would be followed in the great disorder in the great disorder in the window while the druggist was in the back room it looked pretty safe to city. If American soldiers of enter Mexico they unwill remain there until all
will remain the recurrence

the recurrence of Patrolman Emmich, who

prisoner how the cameras rested on buttons so that when they were lifted an electric current rang a bell in the back room. White was taken to the West Sixty-eighth street police station, where a charge of petty larceny was made against him.

NEW YORK GIRL ELOPES.

of Miss Lillian Cobb Is Married in Baltimore to Bruce Baird.

tary of State Lansing. Carbia. Zapata and all the others Cobb. 21 years old, daughter of Archieliminated and a group to be bald Cobb of New York, and Bruce be eliminated and a group to be bald Cobb of New York, and Bruce of men who are to be entrusted Baird, 22 years old, a member of the law firm of Bruce & Bastian of Washment that the United States and ington, came here to-day and were married by the Rev. Jesse Bicknell, godfather of the bridegroom.

ing the new Mexican pol-Wilson has sought for a mother, Mrs. E. M. Hulse, whom she right affairs in Mexico, the lates merely to stand by and friend. She met Card C. Schuermann of there is no interference with the Washington, a friend of Mr. Baird, who here say the accompanied her to Baltimore by auto-

HIGH COST OF CONQUEST.

Miles Is Cost to Germany. Special Cable Despatch to THE SUN.

Special Cable Despatch to The Sex.

Special Cable Despatch to The Sex.

London of the President, sounded Arman Brazil, Chili, Bolivia, Uruguay Guztemala to determine whether sould join with the United States

Continued on Fourth Page.

Special Cable Despatch to The Sex.

London, Aug. 4 (Wednesday).—The London, Aug. 3.—The Cabinet has been summoned for to-morrow afternoon, when most of the Ministers will attend the special service at St. Paul's Cathedral in commemoration of the first anniversary of the war.

ERIE STORM KILLS 25; MILLIONS LOSS IN WARSAW REGION

Washes Away Dozens of Buildings.

Many Rescued From Their Homes in Boats.

ERIE, Pa., Aug. 3 .- Twenty-five pertoo great an effort for her to try again. sons, including Assistant Fire Chief Michael Duerner, are dead in the worst respondent of the Daily Mail, in a des-PACIFIC MAIL TO QUIT NOV. 2. with a cloudburst about 6 o'clock to. the Russian fight to cover a general re-

of the damage that is done, but it will offensive is being checked in several reach millions. The city is in dark- fronts. He says: definite announcement of actual discon-

The only body recovered as yet is that pose. on November 2 next. Its last vessel to leave San Francisco for the Orient of John Higgins, who was swept away will be the Mongolia, sailing on that with his home. Scores of people are en- a crushing victory have failed. The date. The reason given for this is that trapped in their homes and with the enemy has not managed to crush any the La Follette seamen's law goes into rain still pouring down and the water read guard, and indeed in several eneffect on November 4, making it impossible financially for the ships to operate.

rising rapidly there is but little chance gagements the Russian troops have been to save them. Mayor Stern is heading gallantly holding their own and capturoperate. the rescue work with Theodore Elch- ing thousands of prisoners. ence to be held at the State Departnopoly of trans-Pacific business out of
this port,

ment on Thursday in which six coun. Council, and Police Chief Delzel. An un- in need of reenforcements and comverified rumor has come in that Chief manders are asking each other for asnot given much credit.

> cloudburst. An hour afterward dams to of his forces to prevent any further the south gave way and the water tore mishap. down Mill Creek, a stream on the eastern side of the city. It is impossible to get through the flooded district, and what

cared for at the National Guard armory As many more are in the City Mis-sion, and every hospital is filled. With the aid of the sufferers.

Rescued by Rowbonts. Police and firemen in rowboats rescued many persons who lived along the banks of the creek as their homes were swept from their foundations. Many persons are missing and it is believed that fully twenty have been drowned. ficial position Among the victims is Assistant Fire Chief Duerner, who met his death while

At the beginning of the cloudburst the lighting and traction plants were put out of commission. The entire city was plunged into darkness. This added to the difficulty the firemen and police extended to the firemen and police extended to the difficulty the firemen and police extended to the firemen and Late to-night the rain still was falling the nation cannot be sure and it was feared that more damage would be done to downtown property.

tures would be undermined and would It has rained for three days in this cential leaders of Mexico with the "He says I can get my ring by writlon of Carranza are prepared to ing or going to Hull," she said. "I'd been steady and a great volume of water

supply of carbide lamps and oil torches has been obtained and the rescuers are making a systematic search through the flooded districts. Only the residence sections on the outskirts of the city which are on high ground were not damaged by the rush of water. Many of the homeless people are being given shelter in these homes.

advance in the half dozen or more engagements or battles now going on from Suwaiki to south of Lublin, including the Warsaw bulge.

Russian forces are now operating to the west of the Austro-German drives, seeking to cut off all railway communication with the interior. The Germans report that they captured 11,100 prisoners, a great many field guns, trench more

a time by great disorder in the window while the druggist was in the window while the druggist was in the back room it looked pretty safe to him. He picked up one, Schwartz charges, but before he could get to the door the druggist dashed out of the back room after him. Half a block away White ran into of an immediate recurrence on has disappeared.

Secks No Territory.

Secks No Territory.

Secks No Territory.

Secks No Territory.

A wenue last night and saw some at was some and was some and was some and was allowed as a saw some at was and saw some at was allowed and a saw some at was and an extense as in the window while the druggist was in the back room it looked pretty safe to him. He picked up one, Schwartz charges, but before he could get to the door the druggist dashed out of the back room it looked pretty safe to him. He picked up one, Schwartz charges, but before he could get to the door the druggist dashed out of the back room it looked pretty safe to him. He picked up one, Schwartz charges, but before he could get to the door the druggist dashed out of the back room it looked pretty safe to him. He picked up one, Schwartz charges to him. He picked up one, Schwartz charges in the back room it looked pretty safe to him. He picked up one, Schwartz charges in the back room it looked pretty safe to him. He picked up one, Schwartz charges in the back room it looked pretty safe to him. He picked up one, Schwartz charges in the back room it looked pretty safe to him. He picked up one, Schwartz charges in the back room it looked pretty safe to him. He picked up one, Schwartz charges in the back room it looked to the dark the bulk of the six Russian troops are in jeopardy.

No report is made of the operations of the west and northwest of New York, dragging in from the sea a grain permeated, brisk easterly wind. The mercury fell from a maximum of a grain proper safe in lake Region.

No report is made of the operations of the west and northwest of New York, dragging in from the sea a grain permeature here will be probable then to the local weather ob-server that it might go several degrees further down the tube before daylight. There have been cooler days in August.

but only a few.
A disturbance that was central over Richmond last night also contributed to struck the coolness and wetness. The highest temperature of the day was at 12 A. M. The cyclone was central over the lake region last night and will continue to more rain, with strong easterly winds. To-morrow it may be fair.

ENGLAND BANS COAL EXPORTS. ish Possessions.

Special Cable Despatch to THE SUN. LONDON, Aug. 3 .- An order in council was gazetted to-day forbidding the exportation of coal and coke, beginning to-morrow, except to British possessions forces amounting to between 1.500,050 and protectorates.

WAR SERVICE IN LONDON.

Ministers to Attend Anniversary Meeting in St. Paul's.

Cloudburst Floods City and Russians Stop Onslaught and Take Thousands of Prisoners, Petrograd Hears.

CITY LEFT IN DARKNESS GERMANS SHORT OF MEN

Prosecuted for Munitions

Special Cable Despatch to Tue Sex LONDON, Aug. 3 .- The Petrograd corflood in the history of Erie that started patch received to-night, declares that treat with rear guard actions has al-It is impossible to give an estimate most succeeded and that the German

tinuance of trans-Pacific service was knocked out. A few telegraph wires are front to-day indicates that the rear Company to-day. The company will munication with the outside world. All been fighting to cover the general retreat have almost achieved their pur

"The furious German efforts to secure

"The German armies almost all seem Delzel has met his death, but this is sistance. Gen. von Woyrsch, on the Vistula, was expected to strengthen the The storm broke about 4 o'clock this Narew front, but has just been pushed afternoon and at 6 o'clock there was a back himself and desires every company

Von Mackensen Checked.

"Gen. von Mackensen is merely follays to the east can only be guessed at. lowing the Russian troops in their re-Five hundred flood sufferers are being tirement toward the north. His army at this moment appears incapable of any

> vigorous offensive. "Heavy fighting is expected by the Wieprz and the Bug rivers. Here the Germans probably will make one more effort to draw the Russians into a gen-eral engagement, from which they hope emerge victorious and then be i position to transfer a large number of

> ns from the west.
> "The Duma has passed a resolution demanding that legal proceedings be taken against all responsible for the shortage of shells and other needs of the army, irrespective of rank or ofpresent 345 voted in favor of the resolution.

"It was clear when the Duma met or trying to rescue a family from the rec-ond story of their home. Sunday that a demand would be made that the late Minister of War, M. Soukomlinoff, would be prosecuted. This undoubtedly represents the indignant de-sire of the nation. The Deputies are the nation cannot be sure that the

CZAR'S ARMY IN PERIL.

Reports of Gains by Germans Received in London.

for fully fifteen minutes and then the steady rain of the previous three days wis with his 300,000 men are practically across the Narew-Bug triangle with his 300,000 men are practically across the Narew-Bug triangle with his 300,000 men are practically across the Narew-Bug triangle with the 300,000 men are practically across the Narew-Bug triangle with the 300,000 men are practically across the Narew-Bug triangle with the 300,000 men are practically across the Narew-Bug triangle within ten miles of the Warsaw-Petrograf railway. A large force of Russians is now engaged with a German advance south and west of Warsaw on the Bionic line. The forces of Gen. von Gall-witz with his 300,000 men are practically across the Narew-Bug triangle within ten miles of the Warsaw-Petrograf railway. A large force of Russians is now engaged with a German advance south and west of Warsaw on the Bionic line. The forces of Gen. von Gall-witz with his 300,000 men are practically across the Narew-Bug triangle within ten miles of the Warsaw-Petrograf railway. A large force of Russians is now engaged with a German advance south and west of Warsaw on the Bionic line. The forces of Gen. von Gall-witz with his 300,000 men are practically across the Narew-Bug triangle within ten miles of the Warsaw-Petrograf railway. A large force of Russians is now engaged with a German advance south and west of Warsaw on the Bionic line. The forces of Gen. von Markensen are advancing up the Bug toward Brest-Litovsk and are within fifty miles of that city with his 300,000 men are practically across the Narew-Bug triangle within ten miles of the Warsaw-Petrograf railway. A large force of Russians is now engaged with a German advance south and west of Warsaw on the Bionic line. The forces of Gen. von Markensen are advancing up the Bug triangle within ten miles of the Warsaw-Petrograf railway. A large force of Russians is now engaged with a German advance south and west of Warsaw indicate that Gen.

ners, a great many field guns, trench mor CYCLONE'S EFFECT FELT. tars and machine guns Sunday and yesterday. Of course it is not thought possible that the bulk of the six Russian

Interest centres in the operations of Gen. yon Gallwitz, who has been one of the chief aids to Fleld Marshal yon Hindenburg in this district. Splendidly equipped, his force made up entirely of veterans of a year's campaign, he has struck across the Narew between Rozan and Pultusk to overrun the Russian forces sent to meet him on the sixteen mile triangle between the two rivers, which flow together at Serock. His affect this neighborhood to-day, when, the forecasters say, New York will have more rain, with strong easterly winds. This is hardly more than thirty miles from Warsaw itself.

Hardly more than ten miles from the river at this point runs the railway, the loss of which will vastly reduce the chances of large bodies of troops in getting out of Warsaw. That is the

While there are no official reports to say that the formal abandonment of Warsaw is taking place, still there will be time for many to slip by before the and 2,000,000 are an medense number to move with heavy fortress guns, munitions and general supplies.

TEUTONS CAPTURE 11,100. putated. He reports that some other Berlin Reports Gains on All Fronts

Special Cable Despatch to THE SUN. BERLIN (via Amsterdam), Aug. 3 .-The following official statement was

Continued on Second Page.

CHECK TEUTON DRIVE BRITAIN STILL INSISTS THAT NEUTRAL PORTS MUST NOT BE USED TO SUPPLY GERMANY; REJECTS U. S. PROTEST

ENGLAND'S CHIEF DEFENCE OF HER BLOCKADE

selves under the necessity of declar-ing a blockade of some 3,000 miles of coast line, a military operation for

of coast line, a military operation for which the number of vessels available was at first very small. It was vital to the cause of the United States in that great struggle that they should be able to cut off the trade of the

Southern States. The Confederate ar-

mies were dependent on supplies from overseas, and those supplies could not

be obtained without exporting the cotton wherewith to pay for them. "To cut off this trade the United

ates could only rely upon a block-

railways and waterways, which enable

derman commerce could pass almost

without compromising its neutrality

the other belligerent may fairly claim to intercept such commerce before it has reached, or after it has left, the

neutral State, provided of course that

merce of his enemy and not commerce which is bona fide destined for or

Extension Is Defensible.

"It seems, accordingly, that if it be recognized that blockade is in certain

cases the appropriate method of inter-

written authority, it may be replied

that it is the business of writers on international law to formulate existing rules rather than to offer suggestions

for their adaptation to altered circum-

stances, and your Excellency will re-member the unmeasured terms in

which a group of prominent interna-

tional lawyers of all nations con-demned the doctrine which had been laid down by the Supreme Court of the United States in the case of the

Springbok, a doctrine upheld by the claims committee at Washington in

ish Governments took a broader view and looked below the surface at the

underlying principles, and the Gov-ernment of this country, whose na-tionals were the sufferers by the ex-tension and development of the old methods of blockade made by the

United States during the civil war, abstained from all protest against the decisions by which the ships and their

"11. What is really important in the general interest is that adaptations of the old rules should not be made

injury to neutrals should be avoided. With these conditions, it may be safely affirmed that the steps we are taking

to intercept commodities on their way

"We are interfering with no goods with which we should not be entitled to interfere by blockade if the geo-

graphical position and the conditions

of Germany at present were such that her commerce passed through her own ports. We are taking the utmost pos-

sible care not to interfere with com-

merce genuinely destined for or pro-ceeding from neutral countries. Fur-

thermore, we have tempered the se-

verity with which our measures might press upon neutrals by not applying the rule which was invariable in the

old form of blockade, that ships and

goods on their way to or from the blockaded are liable to condemna-

"12. The communication made by the United States Embassy on the

to and from Germany fully comply. Playing the Game Fairly.

cargoes were condemned.

"But the United States and the Brit-

proceeding from the neutral State.

can establish that the commerce h which he interferes is the com-

dustrial districts of Germany.

United States note of March 31, in ence with neutral commerce tchich the United States declared its objections to certain interferences war the United States found themwith neutral trade apparently contemplated by Great Britain under the orders in council. This note constitutes Great Britain's chief defence of the practices against which the United States complains:

Ambassador W. H. Page to the Secretary of State.

AMERICAN EMBASSY. London, July 24, 1915.

Following note, dated July 23, received from Sir Edward Grey this

morning "On the 2d of April your Excel-"On the 2d of April your Excel-lency handed to me a copy of a com-munication containing the criticisms of the United States Government on the measures we have been constrained to take on account constrained to take on account of the menace to peaceful commerce resulting from the German submarine policy. This communication has re-ceived the most careful consideration of his Majesty's Government.

"2. I fully appreciate the friendly spirit and the candor which are shown in the communication, and, replying in

the same spirit, I trust that I may be able to convince your Excellency and able to convince your Excellency and also the Administration at Washington that the measures we have announced are not only reasonable and necessary in themselves, but constitute no more than an adaptation of the old principles of blockade to the peculiar circumstances with which we are confronted.

Must Take Every Step. . I need scarcely dwell on the obligation incumbent upon the Allies to take every step in their power to overcome their common enemy in view of the shocking violation of the recognized rules and principles of civilized warfare of which he has been guilty during the present struggle. Your Excellency's attention has already been drawn to some of these proceed-ings in the memorandum which I handed to you on the 12th February. Since that time Lord Bryce's report, based on evidence carefully sifted by legal experts, describing the atrocities committed in Belgium, the poisoning of wells in German South-west Africa, the use of poisonous gases against the troops in Flanders and finally the sinking of the Lusitania without any opportunity to pas-sengers and non-combatants to save their lives, has shown how indispensable it is that we should leave unused no justifiable method of defending our-

"4. Your Excellency will remember that in my notes of the 13th and 15th of March 1 explained that the allied Governments intended to meet the German attempt to stop all supplies of every kind from leaving or entering British or French ports by themselves intercepting goods going to or from Germany. I read the communi-cation from your Excellency's Govcation from your Excellency's Gov-ernment not as questioning the neces-sity for our taking all the steps open effective by extending it to enemy to us to cripple the enemy's trade, but as directed solely to the question of the legitimacy of the particular measures adopted.

commerce passing through neutral ports, such an extension is defensible and in accordance with principles which have met with general accept-

"5 In the various notes which I have received from your Excellency the blockade of the enemy ports is ad-mitted, a right which has obviously no value save in so far as it gives power to a belligerent to cut off the sea borne exports and imports of the enemy. The contention which I understand the United States Government now puts forward is that if a belligerent is so circumstanced that his commerce can pass through adfacent neutral ports as easily as through ports in his own territory, his opponent has no right to interfere and must restrict his measures of blockade in such a manner as to leave such avenues of commerce still open to his adversary.

to his adversary. "This is a contention which his Majesty's Government feel unable to accept and which seems to them unsustainable either in point of law or upon principles of international equity. They are unable to admit that a bel-ligerent violates any fundamental principle of international law by applying a blockade in such a way as to cut out the enemy's commerce with foreign countries through neutral foreign ports if the circumstances render such an application of the principles of blockade the only means of making it effective.

"The Government of the United States indeed intimates its readiness to take into account the great changes which have occurred in the conditions and means of naval war-fare since the rules hitherto governing legal blockade were formulated and recognizes that 'the form of close blockade with its cordon of ships in the immediate offing of the blockaded ports is no longer practicable in the face of an enemy possessing the means and opportunity to make an effective defence by the use of subnarines, mines and aircraft."

Conforming to the Spirit.

"6. The only question then which can arise in regard to the measures resorted to for the purpose of carrying out a blockade upon these extended lines is whether, to use your Excellency's words, they 'conform to the spirit and principles of the essence of the rules of war'; and we shall be content to apply this test to the action which we have taken in 2d of April describes as a novel and

C. W. GRENFELL KILLED.

Deshorough's Second Sor Special Cable Despatch to THE SUN.

LONDON, Aug. 3.-C. W. Grenfell, LONDON, Aug. 3.—C. W. Grenfell, LONDON, Aug. 3.—The Berlin cor-second son of Lord Desborough, noted respondent of the Central News reports Great Britain.

NAVAL BATTLE IN BALTIC. Gothlanders Hear Heavy Firing

correspondent at Stockholm telegraphs that the Gothlanders heard a violent

quite unprecedented feature of the blockade that it embraces many neutral ports and coasts and has the effect of barring access to them. It does not appear that our measure can be properly so described. If we are successful in the efforts we are making to distinguish between the commerce of neutral and enemy countries, there will be no substantial in-terference with the trade of neutral ports except in so far as they constitute ports of access to and exit from the enemy territory. There are at this moment many neutral ports which it would be mere affectation to regard as offering facilities only for the com-merce of the neutral country in which they are situated, and the only com-

merce with which we propose to fi

terfere is that of the enemy who seeks to make use of such ports for the purpose of transit to or from his The difficulties confronting the Federal Government were in part due to the fact that neighboring neutral territory afforded convenient centres own country. "13. One of the earlier passages in your Excellency's memorandum was to the effect that the sovereignty of from which contraband could be in troduced into the territory of their enemies and from which blockade runneutral nations in time of war suffers no diminution except in so far as the practice and consent of civilized nations has limited it by the recognining could be facilitated. Old Doctrine Applied. Your Excellency will no doubt remember how, in order to meet this new difficulty, the old principles re-lating to contraband and blockade were developed and the doctrine of

tion of certain now clearly determined rights' which it is considered may be exercised by nations at war; and these it defines as the right of cap-ture and condemnation for unneutra-service, for the carriage of contraband and for breach of blockade. I may, continuous voyage was applied and enforced, under which goods destined for the enemy territory were interhowever, be permitted to point out that the practice of nations on each of the three subjects mentioned has cepted before they reached the neutral ports from which they were to be renot at any time been uniform or clearly determined, nor has the prac-'s. The difficulties which imposed upon the United States the necessity of reshaping some of the old rules are maritime nation always been consistent. somewhat akin to those with which

Methods Have Varied.

the Allies are now faced in dealing with the trade of their enemy. Adja-cent to Germany are various neutral countries which afford her convenient "14. There are various particulars in which the exact method of carrying opportunities for carrying on her trade with foreign countries. Her own ter-ritories are covered by a network of a blockade into effect has from time to time varied. The need of a public notification, the requisite standard of effectiveness, the locality of the blockher commerce to pass as conveniently through ports in such neutral coun-tries as through her own. A blockade ading squadrons, the right of the in-dividual ship to a preliminary warn-ing that the blockade is in force and the penalty to be inflicted on a cap-tured blockade runner are all subjects on which different views have prelimited to enemy ports would leave open routes by which every kind of vailed in different countries and as easily as through the ports in her own territory. Rotterdam is indeed own territory. Rotterdam is indeed the nearest outlet for some of the inwhich the practice of particular countries has been altered from time to time. The one principle which is funda-59. As a counterpoise to the freedom with which one belligerent may send his commerce across a neutral country mental and has obtained universal recognition is that by means of block-ade a beligerent is entitled to cut off by effective means the sea borne com-

merce of his enemy.

"15. It is the same with contraband,
The underlying principle is well estab-lished, but as to the details there has been a wide variety of views. As for unneutral service, the very term is of such recent introduction that many writers of repute on international law do not even mention it. It is impos-sible in the view of his Majesty's maintain that the right of a belligerent to intercept the commerce of his enemy is limited in the way suggested in

your Excellency's communication.
"16. There are certain subsidiary matters dealt with in your Excellency's communication to which I think it well to refer. Among these may be mentioned your citation of the Declaration of Paris, due no doubt to the words which occur in the memowould hold themselves free to detain and take into port ships carrying goods of presumed enemy destination ownership or origin, and to our ar nouncement that vessels might be quired to discharge goods of enemy ownership as well as those of enemy origin or destination.

"17. It is not necessary to discuss the extent to which the second rul of the Declaration of Paris is affected by these measures or whether it could held to apply at all as between Great Britain and the United States. In actual practice, however, we are not detaining goods on the sole ground that they are the property of an enemy. The purpose of the measures we are taking is to intercept commerce on its way from and to the enemy country. There are many cases, in which proof that the goods were enemy property would afford strong evidence that they were of enemy origin or enemy destination, and it is only in such cases that we are detaining them. Where proof of enemy ownership afforts no evidence of such unless they are consistent with the general principles upon which an admitted belligerent right is based. It is also essential that all unnecessary "18. His Majesty's Government have

been gratified to observe that the measures which they are enforcing have had no detrimental effect on the commerce of the United States. ures of recent months show that the in-creased opportunities afforded by the war for American commerce more than compensated for the loss of the German and Austrian mar-

"19. I trust that in the light of the above explanations it will be realized that the measures to which we have resorted have been not only justified by the exigencies of the case, but can be defended as in accordance with general principles which have commended themselves to the Governments of both countries. I am glad to be able to assure your Eventuages. to be able to assure your Excellency that we shall continue to apply these measures with every desire to occasion the least possible amount of in convenience to persons engaged in convenience legitimate commerce. (Signed) "E. Grev."

GERMANS EXPLAIN DEFEAT.

South African Force Cut Off Before Surrender to Botha.

Special Cable Despatch to THE SUN. London, Aug. 3.-The Berlin cor-

In Three Notes England Maintains She Is Within International Law.

CITES PRECEDENT OF U. S. IN CIVIL WAR

Germany's Conduct Pointed To in Justification of Policies.

APPEAL FOR LENIENCY REPUDIATED BEFORE

Americans May Appeal From Prize Court, Sir Edward Grey Contends.

notes made public at the State Department to-night Great Britain attempts to justify her interferences with American trade in connection with the so-called blockade of Germany.

These three communications, together with two notes from the United States on the same subject, constitute a fresh chapter in the British-American trade controversy arising out of the European war.

The documents made public to-night for the first time clearly define the issues between the United States and Great Britain. They show each of the Governments professing and insisting on the strictest adherence to the same principles of international law, while sharply disagreeing on the question whether certain measures are in conformity with these principles.

The United States insists upon the 'international invalidity" of the practice of detaining goods shipped from a neutral port to the United States on the ground that they are of German origin and demands that non-contraband go ds from this country be permitted to pass freely to Germany when consigned to the port of a neutral

Great Britain's View.

Great Britain attempts to show that and from neutral ports are legitimately derived from the principle of the right of blockade. She asserts that she is doing only what the United States did in the civil war, that is, adapting the "old principles of blockade" to the peculiar circumstances of the present war.

It is admitted here that the British arguments are for the most part able and ingenious, particularly in their application of United States procedure in the civil war and American prize court decisions in the civil war cases to the defence of practices against which the United States is now com-

plaining. plaining.

The communications from the London Foreign Office given out to-night are markedly different from the British notes of last winter on the same and related subjects, in that they are almost wholly legal arguments and contain little of the extraneous matter of former notes.

It is believed here that the British authorities have at least come to up. authorities have at least come to understand something of the American point of view and to recognize the necessity of meeting the American protests, which are based on this Government's reading of the law, with a defended

Seen as Excuses. Officials in Washington regard the

ever, by certain references to Germany's conduct mentioned by Great Britain as justification of her policies. It is felt that Great Britain has to an extent low-ered her case toward the level of the position of Germany, in so far as she cites German violations of the law as

ever, the British are careful not to go so far as to admit that their blockade is a reprisal and therefore without basis in law; on the contrary, they contend that it is a legally "justifiable" measure for meeting Germon's illegal acts. On the other hand they go so far as

to intimate that as long as neutrals tolerate the German submarine warfare Great Britain ought not to be pressed to abandon a measure undertaken in consequence of the submarine campaign.

Such appeals the United States Government has already sharply required. ernment has already sharply repudiated in correspondence with Germany on the submarine issue. There is no doubt that the same treatment will be afforded

respondent of the Central News reports that the General Staff has given out an official report from the Governor of German Southwest Africa and the Commander of the German troops there. The report, which was sent to the Kaiser through the American Ambassador, through the American Ambassador, seads:

Great British contend that as the issue with the United States is one of law the United States should be content to await judicial interpretation of British acts by the prize courts now sitting. It is argued that even if the courts' decisions are unsatisfactory to Americans' interests they may appeal to the Firing East of Island.

Special Cable Despatch to The Sin.

London, Aug. 3.—The Morning Post's correspondent at Stockholm telegraphs that the Gothlanders heard a violent to the Gothlanders heard a violent to the Gothlanders heard a violent to break through was impossible.

Figure 4. "We were compelled to surrender our troops, numbering 3,400, to General Botha near Koral, between Otavi and Tsumet, every chance of successful resistance being excluded. After Otavi, Gant, Grootfontein, Tsume and Hamoton in had been taken by the enemy we were cut off from our base. Any attended to surrender our troops, numbering 3,400, to General Botha near Koral, between Otavi and Tsumet, every chance of successful resistance being excluded. After Otavi, Gant, Grootfontein, Tsume and Hamoton in had been taken by the enemy we were cut off from our base. Any attended to surrender our troops, numbering 3,400, to General Botha near Koral, between Otavi and of this court is still unsatisfactory to Americans. Indeed the privy Council, and that if the decision of this court is still unsatisfactory they may invoke the aid of their Government to which the cases in dispute may be referred to an international tribunal for terminal tribunal to the court is still unsatisfactory to Americans. tempt to break through was impossible, and Great Britain in the civil war cases as our horses had not eaten any oats.

It is declared that at any time any the prize court the existing orders in

LEGION MISSES 5 AMERICANS. Fate of Kelly, Lawrence, Scanlon, Special Cable Despatch to The Sus.

Paris, Aug. 3.—The headquarters of the Foreign Legion at Lyons, where all information from the organization is reported, is still without news of the Americans Kelly, Lawrence, Scanlon, Smith and Weeks, who have not been heard from for some time. Officials are inclined to believe the men are prisoners. The Colonel's orderly, who was captured on June 16, has been allowed to return to France after having had a leg am-

Duke of Norfolk to Go Under Knife Special Cable Despatch to THE SUN.

prisoners were taken at the same time, but he could not learn their names.

LONDON, Aug. 3.—The Duke of Nor-folk is to undergo a serious operation folk is to undergo a serious operation and will be confined to the hospital for and it is supposed that a battle was in several months.

American claimant may challenge before the hospital for months.